

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

ALTRIA GROUP, INC.,

Plaintiff,

v.

UNITED STATES OF AMERICA,

Defendant.

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) Civil Action No. 3:23-CV-293-MHL
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JOINT STATUS REPORT

On November 2, 2023, the Court granted Plaintiff’s Unopposed Motion to Stay Proceeding and ordered the Parties to file a Joint Status Report with updates on the case every ninety days. WHEREFORE, the Parties respectfully submit the following Joint Status Report.

Count I

Subpart F Inclusions Attributable to the ABI Wholly Foreign-Owned Subs

The issue under Count I is whether amendments to the Code enacted by the TCJA impose a tax on Altria Group, Inc.’s (“Altria”) pro rata share of income in relation to its minority stake in the stock of Anheuser-Busch InBev SA/NV (“ABI”).¹ On November 2, 2023, this Court granted Plaintiff’s Unopposed Motion to Stay Proceeding pending a decision from the Supreme Court in *Moore v. United States*, No. 22-800. The Supreme Court heard oral arguments in *Moore v.*

¹ Capitalized terms not defined herein, shall have the respective meanings given to them in Altria’s Complaint.

United States on December 5, 2023. The Parties are currently awaiting a decision and will provide the Court with a joint presentation fourteen days after a decision has been issued.

Count II

Subpart F Inclusions Attributable to the ABI Domestic Subsidiaries

At issue in Count II of the Complaint is the calculation of Altria's Subpart F Inclusions attributable to the CFCs owned directly or indirectly by ABI U.S. Subsidiaries. Altria and the IRS reached a tentative agreement, which remains subject to review and acceptance by the United States.

Count III

Foreign Tax Credit for the Belgian Withholding Tax

Count III of the Complaint arises from an omission on Altria's originally filed income tax return of the foreign tax credit arising from a Belgian withholding tax incurred by Altria. The Parties have reached an agreement in principle as to Count III.

Count IV – Transition Tax

Count IV of the Complaint arises from a computational error on Altria's originally filed federal income tax return related to the transition tax under section 965 of the Internal Revenue Code. At this time, the Internal Revenue Service review of the computations is ongoing. The Parties currently intend to reach resolution on Count IV without the Court's intervention. Altria notes that its position may change, however, depending on the scope of the Supreme Court's decision in *Moore*, where the transition tax is directly at issue.

Respectfully submitted this 28th day of May, 2024.

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202-532-3728 (v) (Larson)

202-746-1624 (v) (Ruwe)

202-307-6525 (v) (Shashy)

202-514-6866 (f)

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CERTIFICATE OF SERVICE

I hereby certify that on the 28th day of May, 2024, I will electronically file the foregoing Joint Status Report with the Clerk of Court using the CM/ECF system, which will then send a notification of such filing (NEF) to the attorneys of record.

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